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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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SCC'S BUREAU OF INSURANCE REMINDS VIRGINIANS TO REVIEW THEIR INSURANCE COVERAGE BEFORE DISASTER STRIKES

RICHMOND – As we approach what is historically the most active part of hurricane season, the State Corporation Commission's (SCC) Bureau of Insurance reminds Virginians to review the details of their insurance policies **before** disaster strikes. The East Coast has already had two named storms this year, and predictions are for an active 2007 hurricane season.

The Bureau of Insurance encourages policyholders to check with their insurance company or agent to find out if their homeowner's policy contains a special deductible for wind or hurricane losses. These deductibles are applied separately from any other deductible on the homeowners' policy. The amount and application of these deductibles may vary by insurance company, home value, location, and other factors.

Wind or hurricane deductibles may be written as a flat amount, such as \$1,000. Or, they may be applied to a loss as a percentage of the insurance coverage on the dwelling.

Increasingly, property insurance writers in Virginia are including mandatory wind or hurricane deductibles ranging from one to five percent on new and renewal policies, particularly in coastal areas. Some insurers may offer these deductibles at the policyholder's option. Virginia law requires insurers to notify their policyholders of any unilateral change in wind and hurricane deductibles and to explain how they work.

"Wind and hurricane deductibles shift greater risk to the policyholder. It is important for consumers to understand the impact these deductibles can have on their out-of-pocket costs should a hurricane or windstorm strike," said SCC Commissioner of Insurance Alfred W. Gross. For instance, if your home is insured for \$500,000 and your homeowners' policy has a mandatory five percent wind or hurricane deductible, you would be required to pay the first \$25,000 if a hurricane causes damage to your dwelling, Gross said.

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Consumers may wish to contact their insurance agent to see if coverage is available with a lower deductible from the surplus lines market. Surplus lines carriers are approved to do business in Virginia, but are not subject to the same regulatory requirements as licensed insurers, and there is no coverage under the state guaranty fund if a surplus lines carrier becomes insolvent.

Dwelling and commercial property coverage is also available through the Virginia Property Insurance Association (VPIA). It insures homeowners and businesses throughout the state that have not been able to find coverage elsewhere.

The Bureau encourages policyholders to plan ahead for hurricanes and other disasters and to know what to do if a disaster strikes your property. Understand what your property insurance does and does not cover. Ask your insurance agent or company how you can reduce the severity of a loss, should a hurricane strike. Prepare a complete inventory of your personal property ahead of time including serial numbers, photographs, and videotapes, and keep it in a safe place.

If you must evacuate, know the name and phone number of your insurance company, as well as your policy number, in case you have questions or need to file a claim. If your property is damaged by a hurricane, make any necessary emergency repairs and take reasonable steps to protect your property from further damage. Make a list of all damage to the house and its contents, and include photographs, notes, and repair-related receipts.

The Bureau of Insurance is Virginians' source for insurance information. It has specially trained staff that can assist consumers with their insurance-related questions and concerns. For more information, contact the Bureau of Insurance Property and Casualty Division toll-free at 1-877-310-6560 or in Richmond at (804) 371-9185. Consumers who are hearing or speech impaired may call through the SCC's Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206.

The Bureau offers free consumer homeowners, auto, and commercial insurance guides, as well as disaster guides for homeowners and businesses. The disaster guides deal specifically with insurance-related disaster recovery issues and provide answers to the most commonly asked questions about settling disaster-related insurance problems. These and many other consumer insurance guides are available on the Bureau's website at www.scc.virginia.gov/division/boi.

The SCC is located in the Tyler Building at 1300 East Main Street in downtown Richmond. The Bureau's mailing address is P. O. Box 1157, Richmond, Virginia 23218.